

**701—26.69(422) Security and detective services.** On or after July 1, 1985, persons engaged in the business of providing security or detective services are performing services, the gross receipts of which are subject to tax.

**26.69(1) *Security service characterized.*** Any person who provides a service, the purpose of which is to protect property from theft, vandalism or destruction or individuals from physical attack or harassment is providing a “security service.” Persons engaged in the following services are providing a taxable security service. The list is not exclusive: rental of guard dogs, burglar and fire alarm systems; providing security guards, bodyguards and mobile patrols; and protection of computer systems against unauthorized penetration.

**26.69(2) *Detective services characterized.*** Persons engaged, for a consideration, in the service of investigation for the purpose of obtaining information regarding any one or more of the following matters are engaged in the business of providing a “detective service,” and their gross receipts shall be subject to tax. Investigation of crimes or wrongs done or threatened; the habits, conduct, movements, whereabouts, associations, transactions, or reputation or character of any person; the credibility of witnesses or other persons; the investigation or recovery of lost or stolen property or the cause, origin, or responsibility for fires, accidents, or injuries to property; the investigation of the truth or falsity of any statement or representation; the detection of deception; or the business of securing evidence to be used before authorized investigating committees, boards of award or arbitration, or in the trial of civil or criminal cases. The services of a peace officer engaged privately in security or detection work are also subject to tax.

**26.69(3) *Gross receipts not subject to tax.*** Gross receipts from the following activities are not subject to tax as the gross receipts from security or detective services.

- a. The services of a person employed full- or part-time by an employer in connection with the affairs of the employer.
- b. The services of an attorney licensed to practice in Iowa, while performing duties as an attorney.
- c. The services of a person engaged exclusively in the business of obtaining and furnishing information regarding the financial rating or standing and credit of any person.
- d. The services of a person exclusively engaged, either as an employee or an independent contractor, in making investigations and adjustments for insurance companies.
- e. The service of notice, or any other document, to a party, witness or any other person in connection with any criminal, civil or administrative litigation.
- f. The service of soliciting any debtor to pay or collecting payment for any debt.
- g. The service of securing information regarding the fitness or unfitness of any individual for prospective employment, if such information is secured by written or electronic communication only, e.g., checking of résumés.
- h. Services as a consultant, who is rendering advice or providing training with regard to security and detection matters.

**26.69(4) *Charges excluded from gross receipts.*** Mileage and other travel expenses, lodging and meal expenses, fees paid for records, and amounts paid for information do not constitute a portion of the gross receipts from security or detective services if separately identified, separately billed and reasonable in amount.

See rule 701—18.43(422,423) for an exemption for written contracts in effect on April 1, 1985.

This rule is intended to implement Iowa Code subsection 422.43(11).